

Chair's Message

The Honorable Benjamin J. Cayetano, Governor, State of Hawaii, and Ms. Kathryn S. Matayoshi, Director, Department of Commerce and Consumer Affairs:

This report on the 1996 fiscal year activities of the Real Estate Commission evidences the tumultuous year licensees have experienced. The real estate market has been in a slump for over five years, and many licensees and real estate companies are hurting financially. As a result, the number of new licensees entering the industry and the overall number of licensees reached historic lows in the 1996 fiscal year.



A new procedure in 1996 included the review of real estate license applicants for compliance with their tax obligations. The procedure was instituted in cooperation with the State Department of Taxation. The Commission supports the idea of tax compliance, and the new review procedure has heightened licensee awareness of their tax responsibilities.

The Laws and Rules Review Committee completed a first draft of changes to Chapter 99 of the Hawaii Administrative Rules. Following Governor Cayetano's directive and the requests of licensees to simplify government rules and regulations, the Commission is making changes that will streamline procedures and simplify rules without compromising consumer protection. The Commission's goal in fiscal year 1997 will be to complete the revisions.

New laws included the 1996 Legislature's numerous changes to the Mandatory Seller Disclosures Law and the promulgation of Federal rules on lead-based paint disclosure. Licensees and owners should note these new laws as they review the growing list of disclosures to the consumer. In the past few years, the real estate licensee has become responsible for more and more disclosures mandated by State and Federal laws.

We must be knowledgeable in so many areas that it is imperative that education be required of ALL licensees to protect the consumer.

One of the primary responsibilities of the Education Review Committee is the administration of the continuing education program, a keystone in the Commission's efforts to keep licensees current. During fiscal year 1996, fully 492 continuing education courses were offered, with a total enrollment of 7,776.

In an effort to provide courses for principal brokers and brokers in charge, the Hawaii Real Estate Research and Education Center (HREREC) developed a new continuing education elective course, "Introduction to Broker Management."

The Condominium Review Committee has also been involved in rule making as it continues work on revising Chapter 107, Hawaii Administrative Rules. Registration of condominium associations represents a substantial portion of the Committee's work. In 1996, the number of registered associations reached 1,161, representing 101,629 apartments.

The Condominium Review Committee is also responsible for publishing the quarterly *Hawaii Condominium Bulletin*, which provides condominium associations and managing agents with information on current topics in the condominium field.

One of the functions of the Commission's staff is to respond to requests for general information on the real estate licensing laws, condominium governance, and condominium project laws. During the fiscal year 1996, the Commission's staff responded to 64,265 telephone, walk-in, and written inquiries, requests, and applications.

In general, the 1996 fiscal year, although a difficult year for the industry, has been a very busy year for the Commission. As I look ahead, the goal we should all work toward is more professionalism, higher standards, better education, and more attention to ethics within the industry.

Sincerely,

Barbara Dew, (R), Chair
Real Estate Commission